

Cloud services growing but hardware still key for us: Dell

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PC maker **Dell**, which has diversified into various enterprises solutions such as software and cloud-based services, said margins in the hardware business are still attractive and it will continue be an important vertical for the company.

Denying that **Dell** was showing diminishing interest in hardware, which contributes to 20 per cent of the company's revenues (services account for over 50 per cent), Mr Stephen F. Schuckebrock, President, Large Enterprise, **Dell Inc**, said, "Margins in hardware have improved across segments and we still make good money in it. We will continue our interest in the hardware business.

"Customers spend \$1.2 trillion globally every year on infrastructure. And hardware is only a piece of the solution customers want today. Hence, we have added services to offer more choice for customers."

Today, we are headed towards "an era of virtualisation" with a lot of interest in cloud computing, said Mr Schuckebrock.

Around 19 of the 25 large cloud computing providers globally run on **Dell** infrastructure, said Mr Jim Merritt, President, Representative Director, **Dell** North Asia and Vice-President, Asia Pacific Japan, Large Enterprise, **Dell Inc**.

Growing storage biz

According to Mr Sameer Garde, Country General Manager, **Dell India**, hardware has shown strong growth in India, although servers and storage business has grown faster than desktops.

"More and more customers are realising that **Dell** has the capability to help them optimise the data centre," said Mr Garde, reiterating the company's growing play in cloud services, which is a "reality today and not a fad anymore with large enterprises looking to optimise costs at the data centre." "In the IT and ITES space, customers are looking at consolidating desktop platforms into a single private cloud," he said.

There is also lot of interest in SAS offerings – around desktop management, e-mail archiving, disaster recovery management, crisis management and alert systems, added Mr Garde.

Commenting on **Dell India**, which crossed the \$1-billion revenue mark last quarter, Mr Garde said the India business is seeing 90 per cent year-on-year growth.

“The last quarter saw all businesses growing rapidly. The large enterprise business also had a strong quarter. India is the fastest growing market for **Dell**.

Margins in hardware have improved across segments and we still make good money in it. – Mr Stephen F. Schuckebrook, President, Large Enterprise